



Speech by

Mr T. MALONE

MEMBER FOR MIRANI

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1999 STATE BUDGET

Mr MALONE (Mirani—NPA) (1.44 a.m.): This Budget, which the Premier, in his usual over-the-top manner, described as a millennium Budget, is already being seen by people right across the political, social and economic spectrum as a massive failure. When environmentalists, the Queensland Teachers Union, victims of crime groups, the Property Council and the tourism industry all come out to attack this document, we begin to understand what a flawed vision the Premier has crafted.

Basically, this is a Budget that offers next to nothing to rural Queensland. It offers next to nothing for law and order, for education, for health or for our mining industry. It is a big spending, big taxing Budget which according to its own figures will drive down gross State product, reduce State employment growth and increase the rate of inflation.

According to the Budget papers, taxes, fees and fines are due to rise by 7.1% over the coming year. This so-called frugal Premier and acting Treasurer has actually increased tax revenue by about \$330m in this financial year. What should be a matter of great concern is where some of these increases have their origin.

This Government will not reduce payroll tax until the next financial year, but in the meantime has slugged employers with a 5% payroll tax or employer superannuation contribution. In the period 1 January 2000 to 30 June 2000 alone, this Government intends to rip from the private sector an extra \$28m in payroll tax. One does not have to be a genius to know that this is a tax on jobs and job creation. So much for this Government's claim that its actions are centred around job creation.

This Government's full frontal attack on Mr and Mrs Average does not stop there. The machine gaming tax, the money that the Government gets from poker machines, is due to increase by an amazing 14.3%. In the next 12 months this Government intends to rip out of the poker machines in pubs and clubs more than \$294 million. That will be an increase of around \$37m in revenue in one year alone.

Motor vehicle registration fees will increase by 6.6% in the coming year. When any of my constituents drive around, they should recall that this Labor Government will be grabbing from them and their fellow car owners an extra \$34m in this year alone.

I turn to the fire levy of the Department of Emergency Services. This document shows that in the next 12 months the money collected by the fire levy will increase by 18.3% and will hit Queenslanders to the tune of \$168.4m.

One would think that, with the tax revenue expected to rise by 7.1% and inflation estimated to rise by 1.75% in the same period, even allowing for economic growth and other factors this Budget would be in a healthy state. In fact, the Premier claimed long and loud on Tuesday that it was in surplus, yet it appears to be in surplus only from an accrual accounting point of view.

This is the first Budget calculated on an accrual rather than cash method. Fortunately, tucked away in Budget Paper No. 2 was the real figure for this Budget—the cash figure that the Premier tried to fudge. Last year the Premier's figures showed that it was estimated that by 30 June this year there would be a \$390m surplus. In fact, this big spending and grossly incompetent Government ended up with a surplus of only \$27m.

What can we look forward to this year? We can look forward to a Budget deficit of \$350m. This is the first time that our Budget has been in the red—in debt—since 1977. In fact, if we add to that the expected debt of public trading enterprises, the total debt in this Budget for the coming year alone is \$1.235 billion. So keen was this Government to hide the debt situation that half of table A18 on page 94 of Budget Paper No. 2 is blacked out. The debt situation for trading enterprises over the next few years is not even disclosed. As Alan Wood said in the Australian, the Premier "has not made a great start on getting things under control".

Then we had the Premier announcing the expenditure of \$270m over 10 years for bioindustries and bemoaning the fact that Queensland might be seen as other than just a quarry or a farm. As Alan Mitchell said in the Australian Financial Review—

"Premiers that try to pick winners end up saddled with losers, or being held hostage by footloose industries ever ready to take the operations to where the tax concessions are the highest."

All I can say when I look at this Budget is that it ain't too smart. It ain't smart to project a Government wages bill that will rise by 4.3% on average over the next three years when inflation will rise by around 1% less in the same period. Sounds a bit like buying votes to me! It ain't smart for the Government to claim that it can bring unemployment down, when its own Budget highlights that it will create 8,000 fewer jobs this year. It ain't smart to put the Budget in deficit, and it ain't smart to broaden the payroll tax base—which is a barrier to job creation—and it ain't smart to undermine all of the key service provision departments.

When we look at this document we find that the key departments of Primary Industries, Mines and Energy, Health, Education and Police have all done badly. Only the Premier's key and pet projects and central agencies seem to have come out of this flawed Budget with substantial funding increases. As a member representing a non-metropolitan electorate, I see precious little in this Budget to help our rural industries or provincial centres. I find it almost obscene that the Department of Primary Industries' funding was slashed by \$26.6m, and yet that of the Premier's Department went up by \$59.2m and it increased its staff by 107. Central agencies and pet projects were the real winners from this gimmicky Budget, rather than practical and sustained assistance for our traditional industries and for communities already hard hit by global economic trends. So from the viewpoint of my own electorate, I see very little good news from this Budget.

I will now turn to the Ministerial Portfolio Statements for the Minister for Emergency Services. The Gold Coast Bulletin was unkind enough on Wednesday to refer to the Minister as the "Master of Disaster". Yet if we read the portfolio statement we see that the Minister is trying very hard to earn that title. The first point I make about the document is that key information is hidden away, and it is a document that erodes accountability. For example, when we look at employee numbers in the Department of Emergency Services we see that Corporate Services full-time equivalent employee numbers—and budget—are spread across the various so-called output areas of the department according to consumption ratios. The statement seems to indicate that Corporate Services staff have increased by five, but in what area of so-called Corporate Services it is impossible to tell, because on top of that the document points out that the Support Service Business Unit and the Strategic and Executive Services area are all collectively referred to as Corporate Services.

And as if that was not enough, when we peruse the figures for the Queensland Ambulance Service we see that staff figures for the QAS include an allocation of staff numbers relating to the Corporate Services area of the department. So a person who is keen to determine whether operational funds are being soaked up on FIR or IT functions or the like would find it almost impossible to determine from this document. If we wanted to find out if a massive bureaucracy from the director-general down was being created—and I might add that this is of real concern to many uniformed officers in Emergency Services—it is impossible to determine based on these Budget documents.

In an endeavour to comply with accrual accounting, the Parliament has been presented with a portfolio statement which actually obscures performance and inhibits proper scrutiny of this portfolio. I can assure the House that from the time that it was first created in 1993 there has always been a degree of friction within this department between head office and Corporate Services and the men and women at the coalface. The level of concern has increased in recent times, and all I can say is that reading this portfolio statement only increases my resolution that the Estimates hearing will be absolutely critical to getting to the bottom of what is going on.

One area which has received considerable publicity in recent months has been the impact of free ambulance coverage for all pensioners, Seniors Card holders and their dependants from 1 January 1999. I preface my comments by pointing out that the coalition is supportive of this initiative but, nevertheless, its introduction and ongoing maintenance raise a number of key questions. What is of concern is that, in the area of grants and contributions, the QAS budgeted on \$77,964,000 from consolidated revenue for the 1998-99 period. In fact, due to the introduction of the free service, this rose to almost \$87m.

Now the estimated contribution for this financial year will be \$108m. In other words, it has gone up by \$30m in one year. Yet in the user charges column, which reflects income gained from ambulance subscriptions, we see a decrease from the almost \$79m anticipated to a figure under \$76m. Again, the portfolio statement makes it clear that this was principally due to the introduction of the free ambulance service. We can see from this document that the QAS targeted that, by 30 June 1999, 1,650,000 Queenslanders would be covered by the QAS subscription scheme, whereas in fact the figure reached was almost 45,000 less than that. The Budget papers show that \$24.5m per annum has been allocated for this service. But added to that must be the loss of income from lapsed subscriptions. All in all, this is a very serious impost—and one which the Minister knows has impacted significantly on the QAS.

One does not oppose providing a free service to those in need and our elderly, but it is clear that this has been, and will continue to be, a very costly initiative, and not necessarily one targeted at meeting those most in need, either financially or medically. At the same time, and despite the so-called extra funds, it is clear that the QAS is not going forward. The proportion of single-stretcher vehicles within economic life instead of being in excess of 80% as targeted last year had dropped to 64% by June this year. In fact, when members read this document they will see statistic after statistic indicating that, in key service delivery areas, Emergency Services is going backwards under this Government.

Before concluding, I would like to touch on the issue of the fire levy. We have debated the levy in this House, and I am not going to repeat the arguments put forward at that time. However, when we look at the Budget documents we see under taxes, fees and fines that only in the area of conveyancing stamp duties is any Government tax proposed to be increased by a greater percentage than the fire levy. The coalition inherited in 1996 a Fire Service in disarray. It was driven by internal dissent. The then Fire Commissioner was on a collision course with the union representing firefighters and had alienated himself from his work force. The coalition inherited a Fire Service in debt to the Treasury by \$17.5m. When the Minister took over last year, that debt had been reduced to \$13.5m—a reduction of \$4m—without slugging every property owner with a fire levy increase of 14%. That is a levy which hits at everyone in the community. It is a regressive tax. This year alone, this Government will slug ordinary ratepayers—not just commercial businesses, but Mr and Mrs Average—with an extra \$24m in fire levies, a slug which local authorities will have the responsibility of collecting.

In comparison, the coalition reduced the debt of the Fire Service, gave firefighters their first real pay increase in years and actually increased the numbers of uniformed officers—people at the pit face, not non-operational staff. We gave back to the Fire Service a degree of respect—of unity—and hope for the future, a future not tied up with meddling bureaucrats building up empires and settling scores. So from my preliminary reading of the portfolio statement, I see lots of publicity, but at its core it is a document without much heart and soul; it is a document which is dominated by grabs for cash and promises of free services. But it raises major questions about the capacity of the uniformed officers to get the staff and the equipment to do the job. Like this whole Budget, this is a document of smoke and mirrors, and I look forward to using the Estimates process to try to get behind the rhetoric and extravagant claims to find out what the real situation is.
